



RURAL DEVELOPMENT Vermont/New Hampshire

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Committed to the future of rural communities

GUARANTEE HOUSING NEWS

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EXPAND APPLICANTS PURCHASING POWER!!!!

- ▶ Do you have applicants who **qualify for \$10-30K less than the market** for the local affordable housing stock?
 - ▶ Does your applicant **need PMI**?
 - ▶ Do you want to **expand the loan products** that you can use to qualify applicants that need MI?
 - ▶ By paying Rural Development's (RD) **one time upfront fee of 2% (financable, 102% LTV)**, your customers save thousands of dollars in monthly MI payments. By excluding the \$50-150/month Mortgage Insurance premium from their ratios, loan applicants will expand their purchasing power. This will open up new markets to customers that you otherwise could not serve.
- Even if your customer has a down payment, if they need MI, RD wants your business!! Our staff would love to discuss how our programs can expand your ability to make loans—feel free to contact us any time to discuss.

USDA RURAL DEVELOPMENT INCOME & PROPERTY ELIGIBILITY WEBSITE

For those of you that did not attend our March Guarantee Loan Workshops, we introduced a free website that will assist determining program/income and property eligibilities. Tired of fumbling through income eligibility charts? Uncertain if the property your customer has a contract on is eligible for the RD program? End the confusion!

Bookmark the internet site: <http://eligibility.sc.egov.usda.gov/eligibility/mainervlet> Click on either Property Eligibility, Income Eligibility or Income Limits. You will immediately have your answer. The property eligibility site uses Mapquest. All you need to enter is an address and the system will tell you if the property is eligible or not. (NOTE: Most of New Hampshire and Vermont are eligible for Guarantees).

If you are unsure of deductions from income (RD uses an adjusted income to qualify for our programs), the Income Eligibility site will assist you in your calculations. If you just want to know the county income limit, click on Income Limits-Guaranteed Housing. Counties that have a Metropolitan Statistical Area (MSA) in them, please use the applicable MSA area. MSA areas have higher income limits than non MSA areas where higher income families can qualify.

GUARANTEE LOANS FOR NEWLY CONSTRUCTED HOMES

Need financing for new construction loans? RD Guarantees can be used to finance a dwelling to be built or dwellings less than one year old not previously occupied. All the Lender needs to do is provide three building progress inspections (foundation, pre-sheet rock and final) and have a one year builder's warranty. Most construction loans are turn-key deals. Conditional commitments can be issued for homes to be built. Need more information on how your bank can expand your affordable housing construction business? Please contact one of our offices and the Guarantee staff will show you how our Guarantees will help finance new homes in your community.

REMINDERS

We continue to receive copies of 1980-21 Request for Loan Guarantee form with your packages. Please keep in mind that we need to get the **ORIGINAL 1980-21** form with original signatures for both the Lender and the Borrower(s). This form enables RD to recover funds paid as a loss claim to a Lender from borrowers in default of their loan. This form, along with all of the guaranteed forms, is available on-line. Go to: <http://forms.sc.egov.usda.gov/efrms/mainervlet>. Click on "Browse Forms" and then input the form number (ex: 1980-21).

FAQs...

Question: *There are three wage earners in a household. Do I have to count their incomes if they are not on the loan application?*

Answer: *All income from all household members has to be counted to determine eligibility for our program. Only the applicant/co-applicant's income will be used toward repayment income and ratios. The income of minors/fulltime students, food stamps, foster care payments, cash gifts, inheritances, medical reimbursements, educational scholarships does not need to be counted for eligibility purposes.*

Question: *My applicant has a good credit score but has a few recent late payments, will that disqualify them for a guarantee?*

Answer: *No. RD Loan underwriters can issue credit waivers especially for applicants with credit scores greater than 660. If the Lender determines the credit problems were isolated, RD will issue a credit waiver. Please contact the RD staff to discuss any such issues. Our staff will be glad to preview the credit file upon request and provide a go ahead if acceptable.*

LENDER TRAINING AVAILABLE

The RD Staff is available to give hands on training to your staff on request. We would be pleased to come to your site and provide customized training to meet your institution's needs enabling you to originate more RD Guarantee loans. In the past this has been an effective way to meet a Lender's training requirements. This type of training is most beneficial to new originators unfamiliar with the RD product or seasoned staff requiring an update or refresher. Let us know your needs. Colleen, Daphne, Debbie, Jon-Michael, Cheryl or Steve (the Concord, NH, Brattleboro, VT and St Johnsbury, VT offices, respectively are available to help your staff in any way. Give them a call or e-mail them.



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